

AMCO DRILLING (INTERNATIONAL) LIMITED

Report and Financial Statements

For the year ended

31st December 2004

1123503



AMCO DRILLING (INTERNATIONAL) LIMITED

Director, Secretary and Registered Office

Director

D.M. Jackson

Secretary

D.W. Toffolo

Registered Office

Amco House

Cedar Court Office Park

Denby Dale Road

Wakefield

WF4 3QZ

Registered in England : Company Number - 1123503

AMCO DRILLING (INTERNATIONAL) LIMITED

Report of the director for the year ended 31st December 2004

The director presents his report together with the audited financial statements for the year ended 31st December 2004.

1. Principal activities and business review

During the year the company waived the inter company debt.

2. Directors

The director in office at the end of the year was Mr D.M. Jackson who served throughout the year.

Mr D M Jackson is also a director of the ultimate parent company and his interests in the shares of the ultimate parent company are disclosed in that company's financial statements.

3. Statement of director's responsibilities

The director is required by UK company law to prepare financial statements for each financial year which give *a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss for that year*. In preparing the financial statements, the director is required to select suitable accounting policies and apply them consistently, to make reasonable and prudent judgments and estimates, to state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and to prepare the financial statements on the going concern basis *unless it is inappropriate to presume that the company will continue in business*. The director is also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

4. Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the director consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



D.W. Toffolo
Secretary
8th March 2005

AMCO DRILLING (INTERNATIONAL) LIMITED

Report of the independent auditors

To the members of AMCO DRILLING (INTERNATIONAL) LIMITED

We have audited the financial statements of Amco Drilling (International) Limited for the year ended 31st December 2004 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and notes 1 to 5. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's responsibilities for preparing the director's report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read other information contained in the director's report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

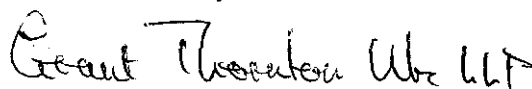
Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP

Registered Auditors

Chartered Accountants

Leicester

8th March 2005

AMCO DRILLING (INTERNATIONAL) LIMITED

Profit and loss account for the year ended 31st December 2004

	Note	<u>2004</u>	<u>2003</u>
		£	£
Other operating charges		<u>(303,214)</u>	<u>0</u>
Loss on ordinary activities before taxation	1	(303,214)	0
Tax on loss on ordinary activities		<u>0</u>	<u>0</u>
Retained loss charged to reserves		<u><u>(303,214)</u></u>	<u><u>0</u></u>

There are no recognised gains or losses other than the result for the financial year.

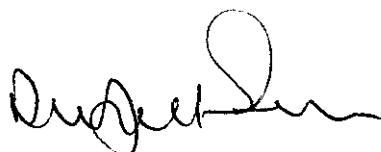
The accounting policy and notes 1 to 5 form part of these financial statements.

AMCO DRILLING (INTERNATIONAL) LIMITED

Balance sheet at 31st December 2004

	Note	<u>2004</u>	<u>2003</u>
		£	£
Current assets			
Debtors	2	<u>0</u>	<u>303,214</u>
Capital and reserves			
Called up share capital	3	700,000	700,000
Profit and loss account	4	<u>(700,000)</u>	<u>(396,786)</u>
Shareholders' funds		<u>0</u>	<u>303,214</u>

The financial statements were approved by the Director on 8th March 2005.



D.M. Jackson

Director

The accounting policy and notes 1 to 5 form part of these financial statements.

AMCO DRILLING (INTERNATIONAL) LIMITED

Accounting policies and notes forming part of the financial statements for the year ended 31st December 2004

Accounting policy

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, up to and including FRS 19 - Deferred Tax, and under the historical cost convention.

Notes

1. Loss on ordinary activities before taxation

Loss on ordinary activities is stated after charging:

	<u>2004</u>	<u>2003</u>
	£	£
Write off of inter group loan	<u>303,214</u>	<u>0</u>

2. Debtors

	<u>2004</u>	<u>2003</u>
	£	£
Amounts owed by group undertakings	<u>0</u>	<u>303,214</u>

3. Called up share capital

	<u>2004</u>	<u>2003</u>
	£	£
Authorised, ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid ordinary shares of £1 each	<u>700,000</u>	<u>700,000</u>

4. Profit and loss account

	<u>2004</u>	<u>2003</u>
	£	£
At 1st January 2004	(396,786)	(396,786)
Loss for the year	<u>(303,214)</u>	<u>0</u>
At 31st December 2004	<u>(700,000)</u>	<u>(396,786)</u>

5. Ultimate parent undertaking

The immediate parent undertaking of this company is Amco Property Investments Plc. The ultimate parent undertaking/controlling related party of this company is Amco Corporation Plc, which is registered in England and Wales. The only group of undertakings for which consolidated accounts have been prepared is that headed by Amco Corporation Plc. Further details relating to this matter are disclosed in that company's financial statements, copies of which can be obtained from the Registered Office.